Industry Training Authority

2015/16 – 2017/18
SERVICE PLAN

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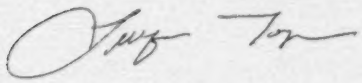
Accountability Statement

The 2015/16 – 2017/18 Industry Training Authority (ITA) service plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

All significant assumptions, policy decisions, events and identified risks, as of January 15, 2015 have been considered in preparing the service plan. The performance measures presented are consistent with ITA's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of ITA's operating environment, forecast conditions, risk assessment and past performance.



Signature

Gwyn Morgan, C.M.
Board Chair

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Strategic Direction and Context

Strategic Direction

ITA's accountabilities are defined in Part 3 of the *Industry Training Authority Act*, and are elaborated on each year through a Government's Mandate Letter. This service plan reflects the direction provided by *ITA's 2015/16 Mandate Letter* and complies with the government's Taxpayer Accountability Principles. The plan is also significantly shaped by the findings and recommendations of the 2014 *McDonald Report* and *B.C.'s Skills for Jobs Blueprint*, which has resulted in the re-alignment of the ITA strategic framework.

Operating Environment

ITA has a new agenda: to efficiently and effectively deploy training investments that will optimize British Columbia's skilled trades labour force, ensuring that we have the skills that best align with current and projected needs to sustain and grow our economy. To succeed, ITA must draw on the best possible labour market information, make evidence-based decisions and work closely with industry (employers, industry leaders and labour), government and the training community.

Risks, Opportunities and Response Strategies

The timing and number of LNG initiatives to proceed will significantly impact an already tight labour market situation in many high-demand trades. Other large projects coming on stream in the near term will also boost demand for skilled trades. The availability of high quality labour market data on actual and forecast employment in the trades is crucial to investment decisions for training and for capital investment projects. In order to make the correct decisions, Sector Advisory Groups will provide input to government and ITA on economic trends, labour market data and training innovation needed.

To secure future project investments, employers need heightened confidence that BC is home to a robust, well-educated and trained workforce. Aligning training investment decisions with priorities defined by the Labour Market Priority Board and leveraging the harmonization initiatives to help reduce barriers to training mobility in Canada will ensure we have the right people with the right skills at the right time.

Performance Plan

Goals, Strategies, Measures and Targets

In 2014, the *McDonald Report* and the *B.C.'s Skills for Jobs Blueprint* directed ITA to create a new performance management framework with outcome-based measures and performance indicators that are tightly linked to two key targets:

- Labour market demand, and
- Feedback scores from its customers.

ITA's Transition Plan lays the foundation for the development of this new performance management systems and embraces the 2015/16 Mandate Letter strategic priority actions as new organizational goals. Many existing performance measures that support these goals are being carried forward, and new ones have been adopted to provide additional accountability.

Over the coming year, a deeper connection with industry, a more effective utilization of evidence-based information, and enhanced internal capacity will help ITA work closely with industry and other stakeholders to refine measures and outcomes that are most important to government, and to ITA's customers and stakeholders.

Goal 1: Demonstrate increased industry engagement in skills training and number of employers sponsoring apprentices.

ITA is enhancing internal capacity to build, adapt and maintain a more robust industry relations plan. ITA will tap into industry perspectives and experience through ten Sector Advisory Groups, a new team of four Industry Relations Managers and a new team of fifteen Apprenticeship Advisors, six with Aboriginal subject matter expertise. Additional initiatives will engage industries not covered through a Sector Advisory Group.

A successful industry training system relies on engaged and willing sponsors. Sponsorship is voluntary, and is powerfully influenced by economic factors as well as perceived value. Sponsors who feel they have a voice in the training and certification process, and a return on their investment, are more likely to support apprenticeship.

Strategies

- Engage industry, including Sector Advisory Groups, and incorporate input into a multi-year training plan development process.

- Facilitate an Innovation Forum engaging stakeholder communities on best practices and innovative opportunities.
- Implement an ITA Service Charter to set service standards and annual feedback mechanisms.
- Increase outreach to potential employer sponsors.

Performance Measure 1: Sponsor Value Index

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Sponsor Value Index	76	77	78	79	80	80

Data Source: Professional Opinion Research Provider

[1] Since 2012/13, Sentis Market Research has been commissioned by ITA to conduct the survey for this performance measure. Data was collected by combined telephone and online surveys. Industry best practices and quality assurance methodologies were employed throughout the process and ITA management is confident in the data reliability, subject to the margins of error defined by the research provider. .

Discussion

The willingness of sponsors to take on apprentices – and encourage other employers to do so – is dependent on the perceived value of apprenticeships to their business. Employers must believe that their involvement in apprenticeship provides a return on investment, and feel that the administrative burden is not too heavy.

The Sponsor Value Index is a measure of sponsor-perceived benefits of hiring apprentices. It provides insights that can guide improved program delivery and training outcomes. It is an annual survey of approximately 700 employers that sponsors apprentices. It is calculated using satisfaction and importance ratings based on the following 4 statements:

- Training/skills of apprentices aligns with company needs
- Apprentices increase profitability
- Sponsorship provides recruiting/retention advantages
- Administrative requirements of sponsorship are manageable

Performance Measure 2: Total Registered Sponsors

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target[2]	2016/17 Target	2017/18 Target
Total Registered Sponsors	9,188	9,500	10,000	10,500	11,000	11,500

Data Source: ITA Direct Access

[1] ITA's Direct Access information management system was custom-designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data-entry procedures and business rules. Management is fully confident in the resulting data.

[2] The targets are based upon four percent increase year-over-year.

Discussion

Registered employer sponsors provide the work-based training that is the building block of most apprenticeships. The availability of employer sponsors who can offer work-based training determines how many people can pursue apprenticeship at any given time, and how quickly they can complete their certification.

Goal 2: Align funding for apprenticeship training investments and services to meet labour market needs and jobs in demand.

Strategies

- Training investments are informed by labour market information prioritized toward high demand trades .
- Commence multi-year training plan development process.
- Implement new Training Investment Funding Framework for adult and youth programs.
- Implement ITA's LNG Action Plan.

Performance Measure 3: Percentage of ITA Funded Foundation Seats in Top 10 In-Demand Trades

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual[2]	2014/15 Forecast	2015/16 Target[3]	2016/17 Target	2017/18 Target
Percentage of ITA funded foundation seats in top 10 in-demand trades	71%	72%	72%	74%	76%	78%

Data Source: BC Labour Market Scenario Model 2012-2022 (Top 10 list based on top in demand trades by job openings).

[1] Top 10 Trades in Demand are: Carpenters; Heavy equipment operators (except crane); Electricians (except industrial and power system); Welders and related machine operators; Steamfitters, pipefitters; Sprinkler system installers; Construction millwrights and industrial mechanics; Heavy-duty equipment mechanics; Plumbers; and Bakers.

[2] Baseline year.

[3] Target is based upon a two-percent increase year-over-year.

Discussion

Apprentices have an employer sponsor and are meeting a demand in the economy. Foundation students are being trained to fill labour market demand. Increasing funding in foundation training seats in the top 10 in-demand trades ensures investments in the right trades in response to labour market demand.

Performance Measure 4: Number of Credentials Issued

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Number of Credentials Issued	8,042	7,059	7,270	7,560	7,938	8,335

Data Source: ITA Direct Access.

[1] ITA's Direct Access information management system was custom-designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data-entry procedures and business rules. Management is therefore fully confident in the resulting data.
The targets are based upon a 3 percent increase year-over-year.

Discussion

The lower credential result in 2013/14 reflects the decrease in apprentice enrollments experienced during the onset of the recession in 2008 (the typical duration to complete an apprenticeship is 4-6 years). The higher than normal number of credentials issued in 2012/13 is believed to be the result of two factors:

1. A reflection of higher apprenticeship registrations in the four to six years previous. When employment opportunities become scarcer, many apprentices with sufficient hours took the opportunity to complete their technical training and progress towards certification.
2. During that period, ITA also increased training investments for apprentices already in the system at higher levels to encourage apprenticeship completion for those who had already met most requirements.

Targets are set to align with projected mid-term provincial labour market requirements, while accounting for recent participation trends and typical training progression. Each credential issued verifies that an additional member of the workforce possesses the occupational skills needed to carry out a particular trade, and benefits both the individual and prospective employers. The number of credentials issued depends on the efficient functioning of the training system as a whole: from recruitment into apprenticeship, to availability of work-based and technical training, to effective assessment tools and program completion. It is the most encompassing of ITA performance measures, but it is also strongly influenced by external factors.

Goal 3: Align policies and programs to support the implementation of provincial and Pan-Canadian initiatives, including apprentice harmonization and mobility across Canada.

Enabling mobility for apprentices will modernize a system that must attract more entrants from within BC or from other jurisdictions. Working with provincial and territorial partners, ITA will ensure apprentices have the option to travel to other provinces and territories and gain the training needed to complete their apprenticeship.

Strategies

- Participate in the Pan-Canadian Apprenticeship Mobility Protocol.
- Participate in the Canadian Council of Directors of Apprenticeship (CCDA) Pan-Canadian Harmonization Initiative.
- Participate in the New West Partnership to support labour mobility and allow apprentices to obtain technical training and work-based hours across multiple jurisdictions.
- BC and Alberta to initiate joint standards for select trades training and certification.

Performance Measure 5: Mobility and Harmonization Initiatives Implemented for Apprentices

Performance Measure	2012/13 Baseline or Benchmark	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target[1]
Implementation of Harmonized Red Seal Trades	0	0	0	100%	100%	100%

Data Source: Canadian Council of Directors of Apprenticeship (CCDA), New West Partnership, Pan-Canadian Apprenticeship Mobility Protocol

Discussion

The CCDA has identified 10 Red Seal trades for harmonization including analysis of the differences in Provincial and Territorial apprenticeship requirements across Canada. Following the consultations with industry and training stakeholders, the CCDA has confirmed the following priorities for action:

- sequencing of technical training curriculum content
- total training hours (in class and the on-the-job)
- jurisdictional trade names and definitions
- use of the most recent national occupational analyses for Provincial and Territorial technical training curriculum development
- specific to the Mobile Crane trades, weight restrictions and equipment classifications

Goal 4: Demonstrate improved outcomes including completion rates and transition to employment for youth, adults and under-represented groups.

ITA's metrics for success must better align with the needs of apprentices and employers. ITA is continuing to improve performance measures to track employer satisfaction with the skilled workforce emerging from BC's industry training system. ITA will also continue to improve measuring the successful progression of those choosing to pursue a career in the skilled trades through apprenticeship to certification including high school and foundation programs.

Strategies

- Implement refreshed Youth Strategy programs in collaboration with the Ministry of Education.
- Strengthen assessment tools to ensure high quality consistent outcomes.
- Develop/implement apprentice completion strategy.
- Develop and implement trades training programs for under-represented groups (Aboriginal Peoples, new Canadians and women) as part of the new Canada Job Fund Agreement (Stream 3).

Performance Measure 6: Satisfaction with ITA Credentials

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Satisfaction with ITA Credentials:						
• Employers	78	77	78	79	80	80
• Credential Holders	86	84	85	86	86	86

Data Source: Sentis Market Research.

[1] Since 2012/13, Sentis Market Research has been commissioned by ITA to conduct the survey for this performance measure. Data was collected by combined telephone and online surveys. Industry best practices and quality assurance methodologies were employed throughout the process and ITA management is confident in the data reliability, subject to the margins of error defined by the research provider.

Discussion

These are survey-based measurements on a 100-point index relative to several potential outcomes of holding a credential, including:

- Demonstrating skill sets to employers
- Competitive employment/promotion advantage
- Contribution to earning potential and employer profitability

- Ability to work across Canada or abroad

Credentials are ITA's primary output. Their value rests in the satisfaction that customers – both credential holders and employers – have with the product. Satisfied customers mean that an ITA 'ticket' has real value. Employers rely on it as a measure of competency and productivity, and workers covet it as a key to employability and pride.

The level of satisfaction with ITA credentials is an indicator of the extent to which ITA is serving its customers, meeting the needs of industry with relevant program standards, contributing to career opportunities and supporting prosperity.

Satisfaction levels in 2013/14 were largely consistent with previous scores. Targets going forward reflect the impact that achievable continuous improvements can be reflected within an index comprised of multiple satisfaction indicators.

Performance Measure 7: Continuation to Apprenticeship

Performance Measure	2012/13 Baseline or Benchmark[1]	2013/14 Actual	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Continuation from Foundation to Apprenticeship	51%	54%	56%	56%	58%	60%

Data Source: ITA Direct Access

[1] ITA's Direct Access information management system was custom-designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data-entry procedures and business rules. Management is therefore fully confident in the resulting data.

Discussion

This measure is tracked and included in ITA's monthly statistical reports. It provides clarity on the value of pre-apprenticeship programs as effective pathways to apprenticeship.

Targets reflect achievable and meaningful levels of continuous improvement, and align with the targeted number of credentials issued over time.

Financial Plan

Summary Financial Outlook ($000's)

	2013/14 Actual	2014/15 Forecast	2015/16 Budget	2016/17 Budget	2017/18 Budget
FUNDING & REVENUES:					
Ministry – Core Operating Grant	94,444	94,444	94,444	94,444	94,444
Ministries					
Project Based Funding - Prov	*14,842	*9,092	*	*	*
Project Based Funding - Fed	9	-	-	-	-
Other Revenue	1,328	1,285	1,346	1,346	1,346
Total Funding & Revenues	110,623	104,821	95,790	95,790	95,790
EXPENDITURES:					
Engage Industry	2,828	1,583	1,016	1,016	1,016
Define Standards	3,090	2,667	1,826	1,826	1,826
Deliver Assessments & Certification	2,014	2,627	2,824	2,824	2,824
Invest in Training Pathways	93,065	87,574	79,080	79,080	79,080
Support ITA's Customers	1,157	2,482	3,135	3,135	3,135
Communicate	1,596	1,525	776	776	776
Support Business of ITA	5,621	6,363	7,133	7,133	7,133
Total Expenditures	109,371	104,821	95,790	95,790	95,790
Net Income	**1,252**	-	-	-	-
Total Liabilities	**4,709**	**4,500**	**4,500**	**4,500**	**4,500**
Accumulated Surplus	**22,214**	**22,214**	**22,214**	**22,214**	**22,214**

*Project Based funding is dependent upon on the results of the procurement process or application review processes undertaken throughout the fiscal year

Key Forecast Assumptions

The summary financial outlook reflects the following assumptions:

- Ongoing receipt of a core operating grant from the Ministry of Jobs, Tourism and Skills Training (excluding BC Canada Job Fund allocation)
- In 2014/15 the ITA received $9M in project funding, under the Canada Job Fund, to support pre-apprenticeship programs for under-represented groups such as women, aboriginal people and immigrants. The Ministry transfers the approved funding allocation to ITA through a Letter of Agreement, inclusive of targets and outcomes.

Forecast Risks and Sensitivites

Increased pressures on ITA's training investment may result from:

- Alignment with labour market demand information
- Sector Advisory Groups' input on effective training models
- Implementation of the refreshed Youth Strategy to achieve targets outlined in the BC Education Blueprint
- Implementation of the refreshed Training Investment Funding Framework that has been designed to incent outcomes required by both the 2014 McDonald Report and *B.C.'s Skills for Jobs Blueprint*

Management Perspective on Future Financial Outlook

Key activities envisioned within this Service Plan will be primarily funded within the core operating grant. These activities are aligned with delivering on ITA's Mandate Letter, the recommendations of the 2014 *McDonald Report* as well as the outcomes specified in the *BC's Skills for Jobs Blueprint*.

ITA is not a capital intensive organization and has no capital projects valued at more than $50 million. Capital activity is primary focused on ITA's digital strategy and is funded from ITA's Accumulated Surplus.

Appendix A:

Hyperlinks to Additional Information

All information pertaining to the Board governance on ITA's website meets the requirements outlined by the Board Resourcing and Development Office's board governance disclosure requirements.

Additional information can be found at:

- ITA 2015-16 Mandate Letter
- Corporate Governance
- Organizational Overview
- Taxpayer Accountability Principles
- Glossary of Terms
- The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance, Jessica McDonald, 2014
- B.C.'s Skills for Jobs Blueprint